

Message Text

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C O N F I D E N T I A L OECD PARIS 05563

E.O. 11652: GDS

TAGS: EFIN, OECD

SUBJECT: OECD MINISTERIAL COUNCIL MEETING TO SIGN
FINANCIAL SUPPORT AGREEMENT

1. BRITISH AMBASSADOR TO OECD GALLAGHER CALLED ON
AMBASSADOR TURNER TODAY TO DELIVER HMG'S POSITION ON
SUGGESTION FOR AN OECD MINISTERIAL COUNCIL MEETING ON
APRIL 8 AT WHICH TIME FINANCIAL SUPPORT AGREEMENT WOULD
BE SIGNED. GALLAGHER SAID THAT CHANCELLOR HEALEY WOULD
NOT BE AVAILABLE TO CHAIR SUCH A MEETING (WHICH WOULD
NORMALLY BE HIS RESPONSIBILITY IF THIS WERE FORMALLY TO
BE CONSIDERED AN OECD MINISTERIAL COUNCIL MEETING). THE
CHANCELLOR, HE SAID, WILL BE OCCUPIED WITH THE BUDGET
AT THAT TIME. FURTHERMORE, GALLAGHER POINTED OUT, HMG
DOES NOT BELIEVE A MINISTERIAL MEETING IS NECESS-

ARY TO SIGN THE AGREEMENT. NO SUBSTANTIVE QUESTIONS
WILL REMAIN OPEN FOR MINISTERS TO RESOLVE, AND IN THE
VIEW OF HMG THERE WOULD BE NO REASON WHY THE AGREEMENT
COULD NOT BE SIGNED AT AMBASSADORIAL LEVEL. GALLAGHER
INDICATED THAT HG HAD HEARD FROM UK EMBASSY SOURCES IN
WASHINGTON THAT SECRETARY SIMON WOULD ONLY BE AVAILABLE
FOR A HALF DAY ON APRIL , WHICH WOULD MEAN THAT THE
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MINISTERS COULD DO LITTLE MORE THAN HAVE A FORMAL SIGN-

ING CEREMONY. ON THE OTHER HAND, HMG WOULD NOT WISH THE MINISTERS TO HOLD A FULL-SCALE REVIEW OF THE ECONOMIC AND FINANCIAL SITUATION ON APRIL . THEY FEEL THAT THE SITUATION HAS NOT CHANGED MUCH SINCE THE JANUARY DISCUSSIONS IN WASHINGTON AND THEY OBVIOUSLY FEAR THAT IF A MEETING WERE HELD IN APRIL IT WOULD UPSTAGE THE REGULAR OECD MINISTERIAL MEETING SCHEDULED FOR THE END OF MAY SOME SIX WEEKS LATER. FINALLY, HG FEELS THAT TO HOLD A FULL-SCALE MINISTERIAL MEETING FOR THE PURPOSE OF SIGNING THE FINANCIAL SUPPORT AGREEMENT ON THE SECOND DAY OF THE PREPARATORY MEETING (IF IT IS HELD ON THE DAY THE FRENCH HAVE SET IN THEIR INVITATION) WOULD SEEM TO BE CONFRONTATIONAL AND PROVOCATIVE TO THE PRODUCERS.

2. IN RESPONSE, AMBASSADOR TURNER TOLD GALLAGHER THAT HE UNDERSTOOD INFORMALLY FROM TREASURY THAT SECRETARY SIMON LOOKS WITH FAVOR UPON THE IDEA OF A MINISTERIAL MEETING AND WOULD PROBABLY BE AVAILABLE ON APRIL 8 TO SIGN THE FINANCIAL SUPPORT AGREEMENT. HE SPECULATED, MOREOVER, THAT IF APEL IS INSISTENT ON COMING TO SIGN THE SOLIDARITY AGREEMENT AND IF FOURCADE JOINS HIM, OTHER MINISTERS, INCLUDING SIMON, MIGHT ELECT TO BE PRESENT AT A SIGNING CEREMONY WITHOUT CONSTITUTING A REGULAR OECD MINISTERIAL COUNCIL. UNDER THOSE CONDITIONS THERE WOULD THUS BE NO PROBLEM ABOUT HEALEY'S ATTENDANCE FOR THE PURPOSE OF CHAIRING THE MEETING. GALLAGHER AGREED, POINTING OUT THAT THE ACTION TO BE TAKEN BY THE OECD COUNCIL SETTING UP THE FUND IN THE OECD FRAMEWORK AND REQUIRING UNANIMOUS APPROVAL BY ALL OECD MEMBERS, COULD BE TAKEN IN THE COUNCIL AT PERMREP LEVEL, WHILE THE SIGNING OF THE AGREEMENT COULD BE A SEPARATE CEREMONIAL FUNCTION AT WHICH GOVERNMENTS COULD BE REPRESENTED AT DIFFERENT LEVELS.

3. IN ANY EVENT, GALLAGHER SAID, HMG OPPOSED HOLDING A REVIEW OF THE ECONOMIC AND FINANCIAL SITUATION ON APRIL 8, SAYING IT WAS HMG'S VIEW TO RESERVE THIS FOR THE NORMAL OECD MINISTERIAL COUNCIL MEETING ON MAY 27-2. HE SAID HMG THOUGHT OF THAT MEETING AS COVERING THE WHOLE GAMUT OF OECD'S POLITICO-ECONOMIC CONCERNS.
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TURNER

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